Message

From: Eric Chu (Work) @google.com]
Sent: 7/31/2020 3:12:41 AM
To: Prachi Gupta @google.com]; Will Aldrich @google.com]; Eunice Kim @google.com]
Subject: Draft email to prep John

Hi guys,

If you have time to take a look, appreciate your feedback/edits.?? Meeting is tomorrow at 10:30 am

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Hi John,

Want to send you a quick status on Play discussions in preparation for the sync/check-in tomorrow.

STATUS

- Leads from Play anchoring discussions are Hareesh and Mrinalini.?? In general, they are discussing/negotiating in good faith trying to find a way to make things work within Play's model.
- Process/steps we're using:
  - Make sure Play understand our features
  - Get Play to clearly states whether they will support for 3rd pty developers or not
  - Jointly scope eng/pm/ops efforts for both options
- We've so far identified 166 features and have gone through 66 of these items where Play now has high level understanding and have stated their support positions.?? Note not "items" are not equal in size of efforts.
- Of the 66 discussed items:
  - 20 - Already support for 3P
  - 21 - Play commits to support for 3P
  - 8 - Already support for 3P but differently which might mean product changes
  - 1 - Play commits to support for 3P subject to legal approval
  - 4 - Play commits to support for 3P but differently which might mean product changes
  - 11 - Play can not currently commit to support for 3P

A few thoughts/observations:

- Their thinking/plans to support "complex" developers such as YouTube is very early stage.?? They're learning a lot from us and their "plan" is evolving real time....
- They're beginning to articulate the notion of "trusted developers" vs. "unverified-to-be-trusted developers".?? An important evolution of their thinking to potentially open up the door to some sort of tiered approach.

EXHIBIT 319

- Play started from a simple transactional mass market billing platform while YouTube started from a highly customizable subscriptions centric commerce platform for small number of elite in-house "merchants" with continuous custom demands.?? Play is trying to learn/evolve but it will not be fast or easy.
- 2 key sticking points so far and I expect there will be more:
  - Play is not willing to give 3Ps the ability to manage FOPs.?? Spotify has this and is fundamental in the next stage of our growth.
  - Play wants us to sync our catalog of SKUs, listings, and bundles into their system but they are not willing to support all the flexibility we have today and in the future.?? Nor is it realistic that they can keep pace as we evolve.?? Their desire to control listings and pricing is a major inhibitor to YouTube's ability to support our users with our wide range of business models across many different YT Paid products.??

My game plan for tomorrow

- Goal is to provide a status update and provide some visibility on where we're aligned and where we're not.?? I have no expectation to resolve differences in such a large forum but prepared to be surprised.
- We will walk through in slides form content in the <u>Summary tab of current working sheet</u>.
- We did get agreement from Hareesh and Mirinalini to make sure we have clear "North Stars" for this effort.?? Play might want to add a few more.?? For the ones currently listed, we're aligned on 2 but not fully aligned on the remaining 2.?? <u>**Assuming you agree with the 2nd and 3rd North Stars, appreciate your help to reinforce the importance of them**</u>.
- We added a few key insights to help set up key areas of discussions.?? I've highlighted them above.

Please let me know if you need any other information.

Thanks

Eric